



City of Inverness

Administration Office

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July 21, 2014

TO: Elected Officials
Citizens and Business Interests of Inverness
Adjoined Governments and Officials
Media

CITY OF INVERNESS BUDGET SUMMARY MESSAGE

Development and Planning for the annual City Budget is a serious undertaking by your government. Multiple public meetings were conducted to develop a prudent, fiscally conservative budget appropriation and capital improvement plan, for the City of Inverness. On April 3, 2014, at 5:30pm, a public workshop was conducted to present a Budget Overview for 2014-15. The Overview contained facts, market trends and local analysis of an economic and social nature. Projects were discussed along with service levels and pending impacts to the City. That exercise was followed by presentation and tentative adoption of a Five-Year Capital Improvement Plan during a public workshop on May 1, 2014 at 5:30pm. The Five Year Plan charts a course for the entire community of infrastructure investment, project development, and economic planning. A public Workshop to discuss elements of Fire Services and

increased costs by the County to the City occurred May 8, 2014. On July 15, 2014, City Council publicly discussed and adopted a Tentative Millage Rate of 6.9949 that would have been a millage increase of 7.70%. However, the budget has been developed using a millage rate of 6.8705 which represents a millage increase of 5.78%. The rate takes into account more than a 30% loss in valuations since 2008, and moderately provides \$130,689 additional funds to balance the ensuing appropriation. On July 22, 2014, a public workshop will be conducted to present all findings and fully disclose spending, service levels, projects, staffing and related cost, planning mechanisms, utility system operations and Inverness Community Redevelopment Agency activity. Importantly, final adoption of the 2014-15 budget that spans from October 1st, 2014 through September 30th, 2015, will be accomplished in two Public Hearings as follows:

1st Public Hearing to Adopt the 2014-15 Budget
Thursday, September 4th, 2014, at 5:01PM
Inverness Government Center, 212 West Main Street

2nd Public Hearing to Adopt the 2014-15 Budget
Thursday, September 18th, 2014, at 5:01PM
Inverness Government Center, 212 West Main Street

The Budget is fiscally sound, balanced, and contains a Capital Improvement Plan that is property situated to improve the community. Additionally, the City of Inverness boasts the most extensive benefit program in Citrus County for residents and businesses alike. Highlights of services, projects and initiatives include:

- Event & Visitors Bureau
- Extensive Parks, Recreational and Cultural Program
- Whispering Pines Park at 280 acres is the Crown Jewel facility in a multi-county area
- Lakefront Park System, Cooter Pond Park, and Boardwalks envelop the Business District
- High Level Marketing & Branding that supports business and encourages investment
- Full Year, Highly Energized, Special Event Schedule
- Conservation and Green Initiatives like: Electric Vehicle Charging Stations, Solar Powered Sidewalk Compactors, Curbside Recycling and LED Light Efficiency Program
- Residential Neighborhood/Street Illumination Program
- City Beautification through the Central Business District
- Historic Plaque and Building Identification Program
- Historic Valerie Theatre Center Revitalization Project
- Comprehensive Planning and Visioning Plan for 40+ Years
- State of the Art Regional Wastewater Treatment and Recovery Plant

- Production of Reclaimed Water for Irrigation
- Potable Water System to serve the City and Beyond
- Law Enforcement Services
- Full Solid Waste, Recycling, Yard Waste and Bulk Item Program
- Full Franchising of Solid Waste for Commercial Applications
- Storm Water and Lake Management Program
- Tree City USA Designation

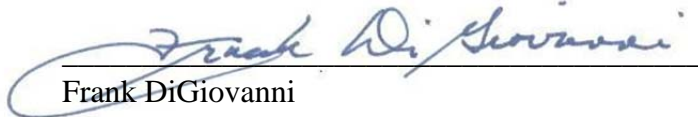
Agency and capital expenditures for the calculated City Wide appropriation totals \$21,189,441 Million. The Capital Improvement Program is a blueprint for progress and structured to invest \$5,356,521 Million in the ensuing 2014-15 Fiscal Year.

The adopted budget and CIP reflect the City's hallmark of community and fiscal planning. The City General Fund is scheduled to incur a small, moderate, debt level to support the Valerie Theatre project and fund improvements to Whispering Pines Park. Reserves are strong and the community is well positioned to aggressively seek grants and address unforeseen anomalies that may arise. Careful fiscal planning has been recognized and publicized as a strength. Operational costs have been managed to not appreciably increase and the employee count has again been reduced. We find ourselves at an extremely low staffing level when compared to like governments of the area. Departmental and program goals are identified to ensure that services address the highest priorities established by City Council to include: public safety, community appearance, general maintenance, marketing, culture and events, and to make sure development retains community history and character. Recreational, Cultural and Special Event programs provide enrichment opportunities, economic vitality, marketing and growth. A proactive presence with respect to celebrations and special events has been well received by businesses, visitors and families alike. It's all about community and Inverness defines Small Town America.

Service levels are unchanged; culture and marketing are slightly improved, but largely consistent with prior years. The Inverness community is mostly impacted by state and national economic conditions, a weak housing rebound, and the largest negative impact being caused by activity at the State Level, which continues to direct resources away from local communities. State Revenue Sharing has decreased, funding of the State managed pension system has risen, and the latest attempt to remove telecommunication fees from the local revenue stream will be a negative material impact. County Government has been following the State, by electing to not contribute to off-set the City's cost to deliver services through the operation of Whispering Pines Park to county residents. This is compounded by the County managing to greatly increase the cost to the City for them to deliver Fire Service. Combined, their actions equate to roughly a 2-mill increase. The City is doing its best to "hold the line," but revenue loss by any situation, means that fewer dollars are available for capital improvements in our downtown area that would support business growth, quality of life, and/or the ability to affordably provide general services.

Despite continued efforts by the State to divert local revenues and action by the County to help bridge their budget deficit, Inverness's financial condition is sound, and the City holds to a course that is fiscally sustainable. All necessary steps continue to be taken to ensure a successful operation in what has become a less certain fiscal climate. Revenues and expenditures will continue to be carefully and constantly monitored to ensure the current and future budgets remain balanced, and the City will continue to offer the best possible services, plan and invest in meaningful improvement projects, and continue to support the quality of life that Inverness residents desire and expect.

Charts and Graphs follow to best illustrate: Property Valuations, Mill Levy Comparison, General Fund Revenues, City Revenues by Type, Expenditures by Type, Personnel Cost Allocation by Functional Area.

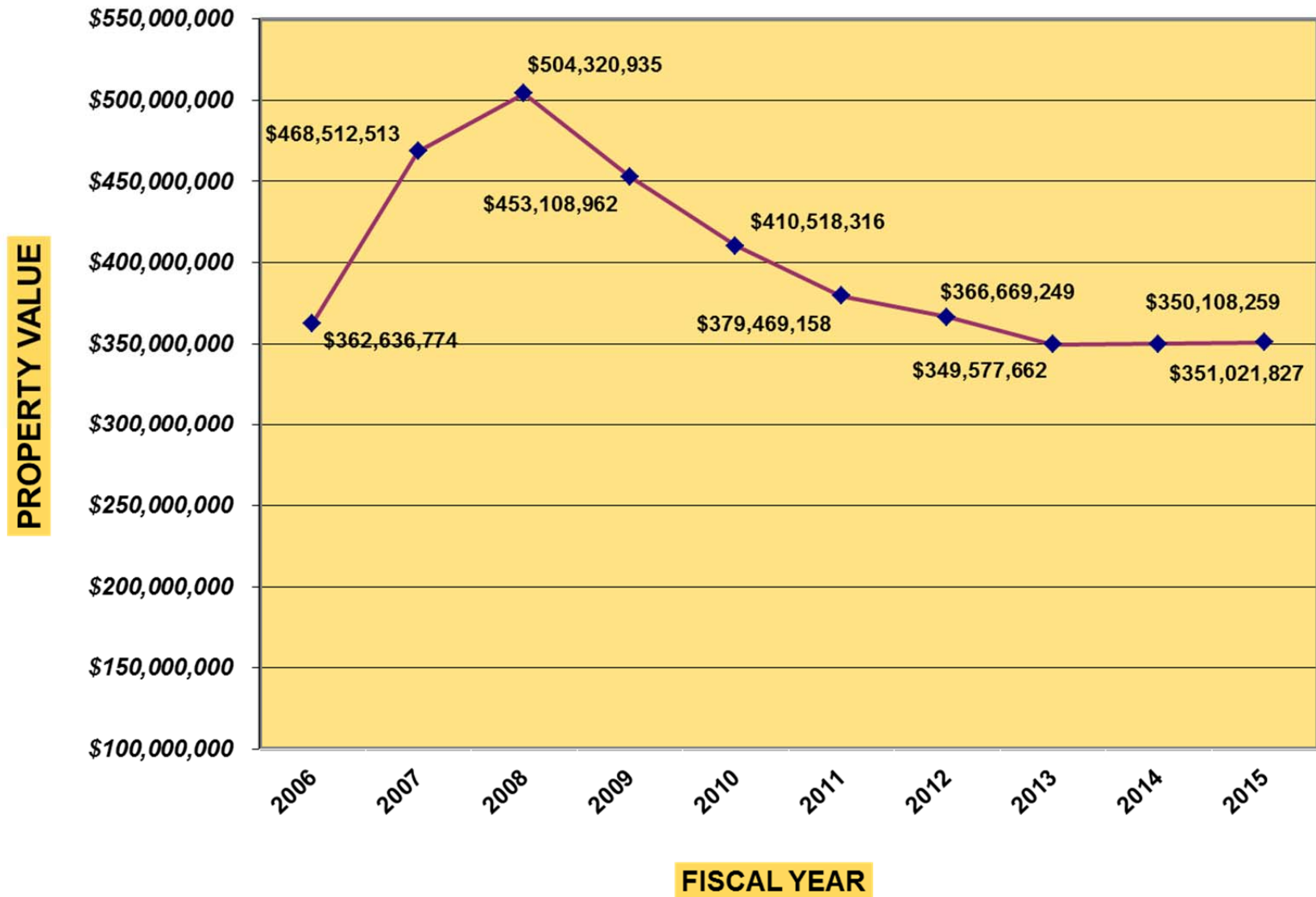


Frank DiGiovanni
Inverness City Manager

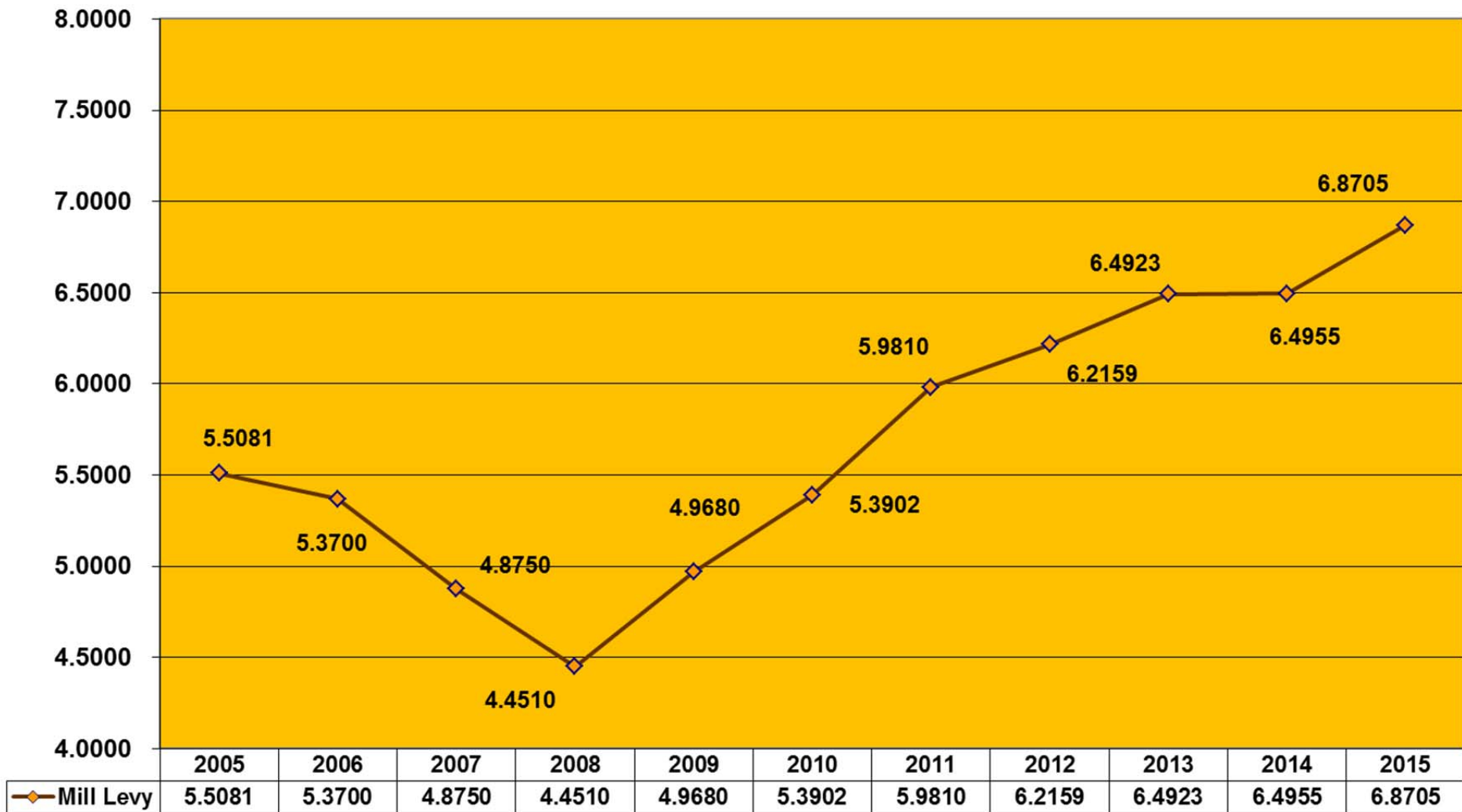
**CITY OF INVERNESS
MILL LEVY COMPARISON
2005-2015**

FISCAL YEAR	TAXABLE VALUE	% CHANGE - PREVIOUS YEAR	ADOPTED - PROPOSED MILL LEVY	REVENUE @ 100%	REVENUE @ 95%	INC/DEC -FUNDS COLLECTED PRIOR YEAR
2005	\$ 315,184,699	5.09%	5.5081	\$ 1,736,069	\$ 1,649,265	\$ 79,809
2006	\$ 362,636,774	15.06%	5.3700	\$ 1,947,359	\$ 1,849,992	\$ 200,726
2007	\$ 468,512,513	29.20%	4.8750	\$ 2,283,998	\$ 2,169,799	\$ 319,807
2008	\$ 504,320,935	7.64%	4.4510	\$ 2,244,732	\$ 2,132,496	\$ (37,303)
2009	\$ 453,108,962	-10.15%	4.9680	\$ 2,251,045	\$ 2,138,493	\$ 5,997
2010	\$ 410,518,316	-9.40%	5.3902	\$ 2,212,776	\$ 2,102,137	\$ (36,356)
2011	\$ 379,469,158	-7.56%	5.9810	\$ 2,269,605	\$ 2,156,125	\$ 53,988
2012	\$ 366,669,249	-3.37%	6.2159	\$ 2,279,179	\$ 2,165,220	\$ 9,096
2013	\$ 349,577,662	-4.66%	6.4923	\$ 2,269,563	\$ 2,156,085	\$ (9,136)
2014	\$ 350,108,259	0.15%	6.4955	\$ 2,274,128	\$ 2,160,422	\$ 4,337
2015	\$ 351,021,827	0.26%	6.8705	\$ 2,411,695	\$ 2,291,111	\$ 130,689
	\$ 153,299,108	30.40%	Decrease since 2008			

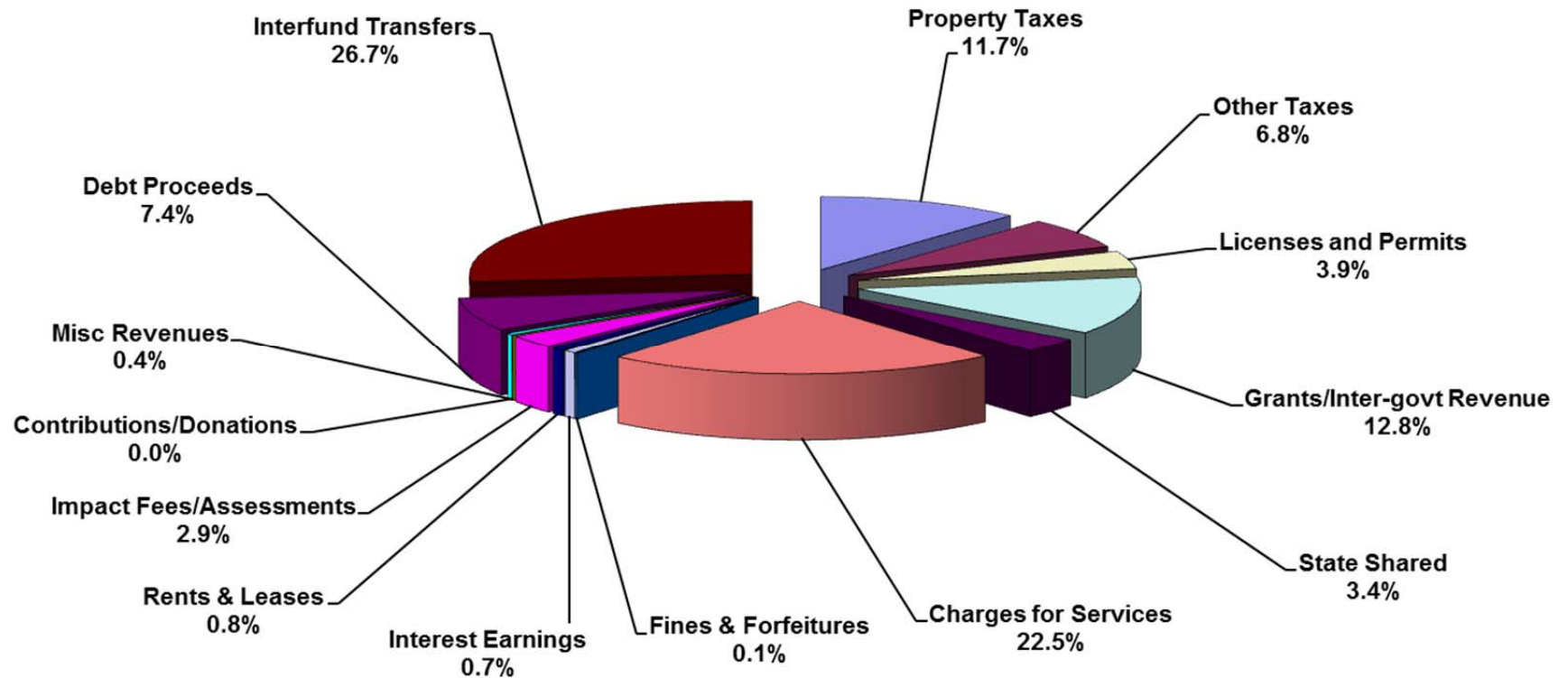
PROPERTY VALUES 2006-2015



MILL LEVY COMPARISON

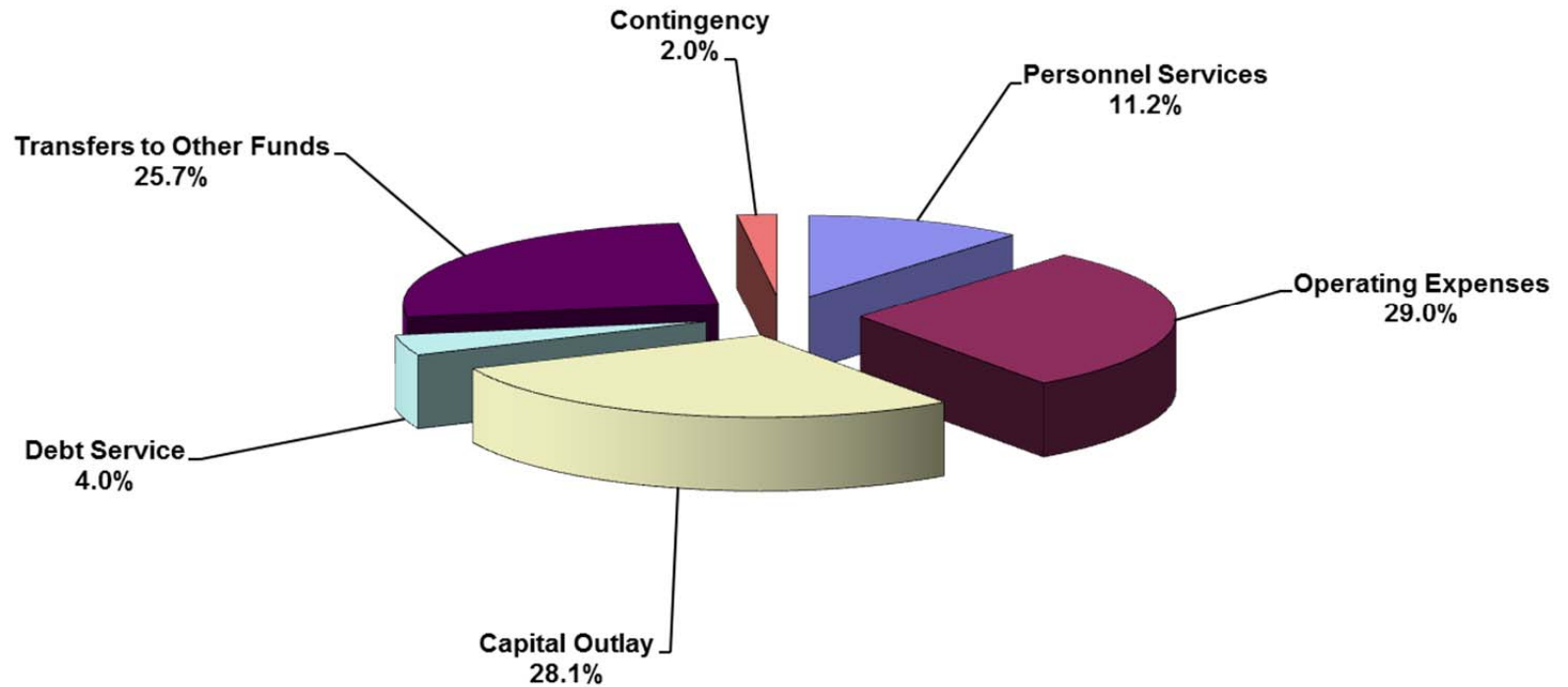


**CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2015 PROPOSED BUDGET REVENUE SOURCES BY TYPE
(EXCLUDING RESERVES)**



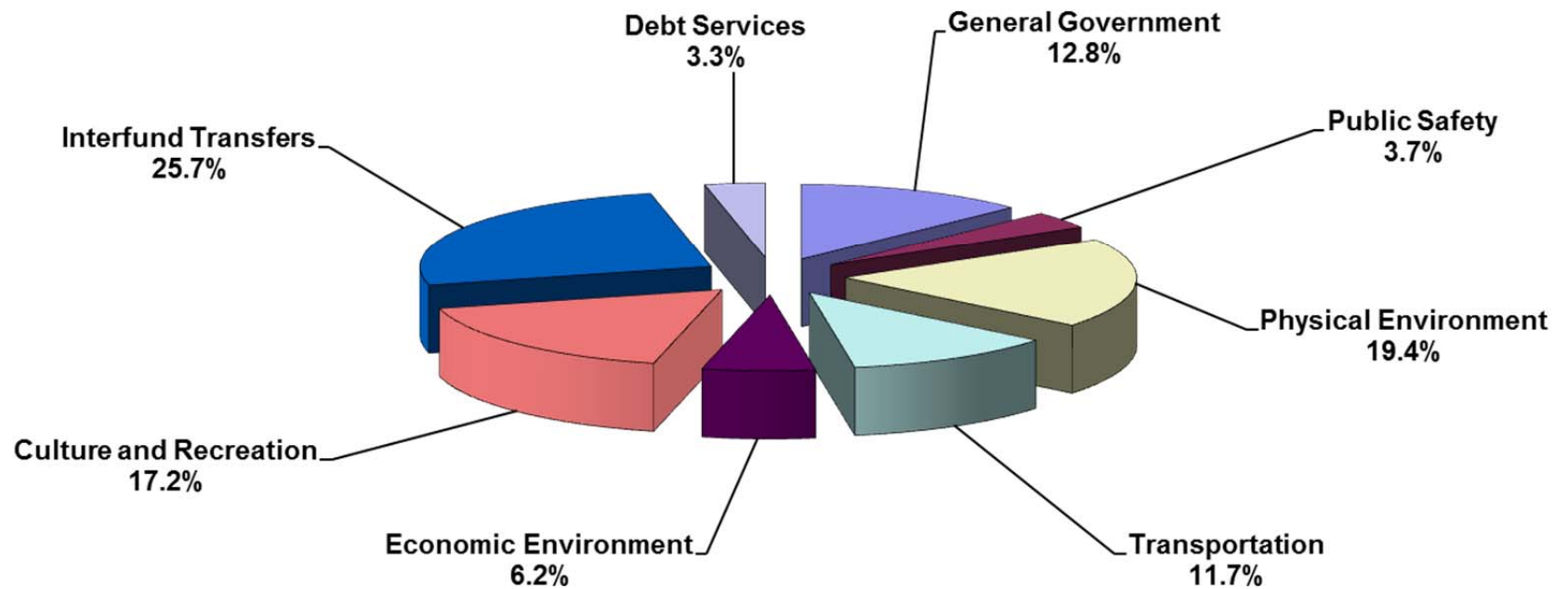
\$21,189,441

**CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2015 PROPOSED BUDGET EXPENDITURES BY TYPE
(EXCLUDING RESERVES)**



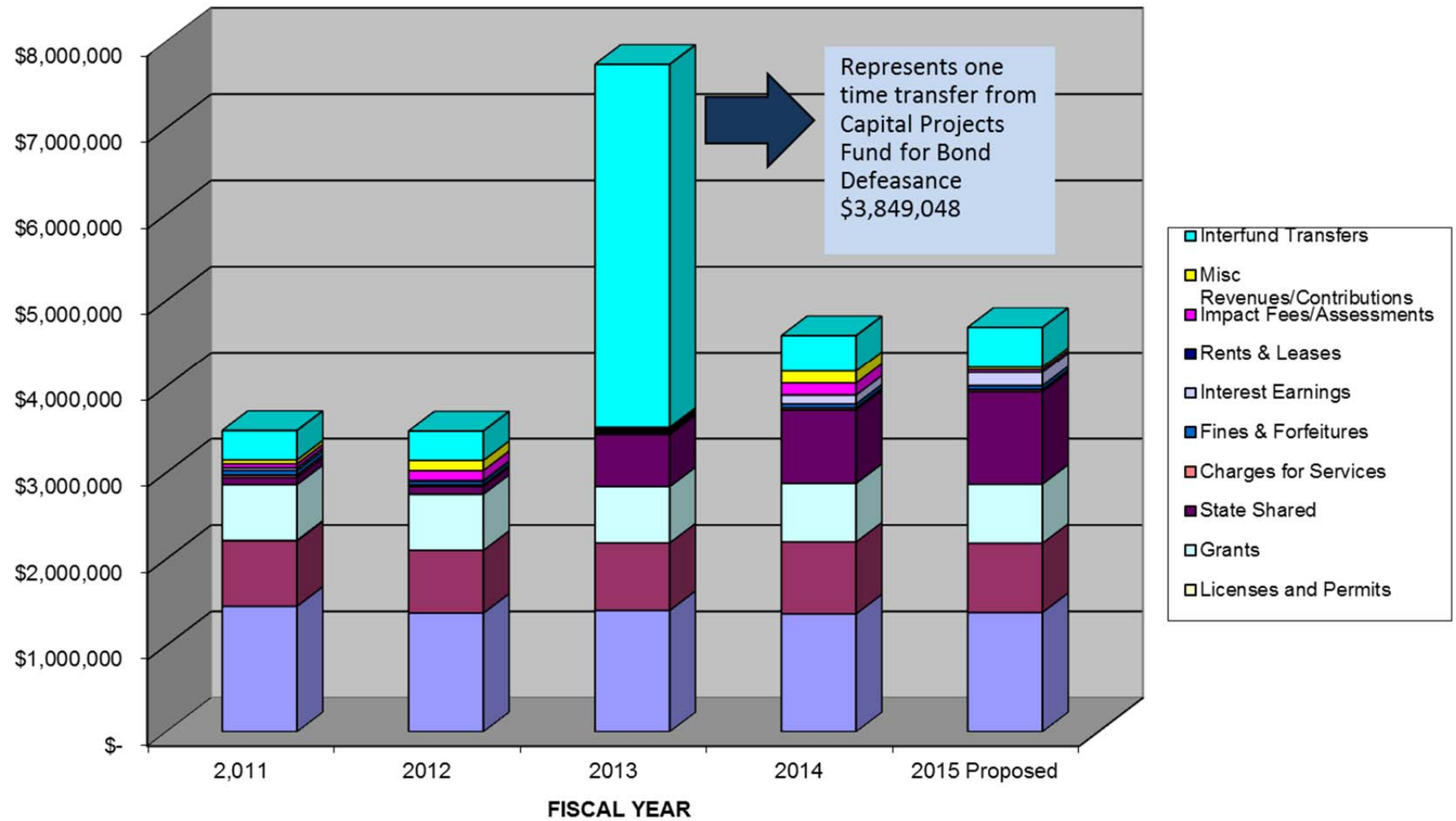
\$21,189,441

CITY OF INVERNESS-ALL FUND SUMMARY
(Governmental, Special Revenue, Enterprise, and Trust Funds)
2015 PROPOSED BUDGET EXPENDITURES BY FUNCTION
(EXCLUDING RESERVES)

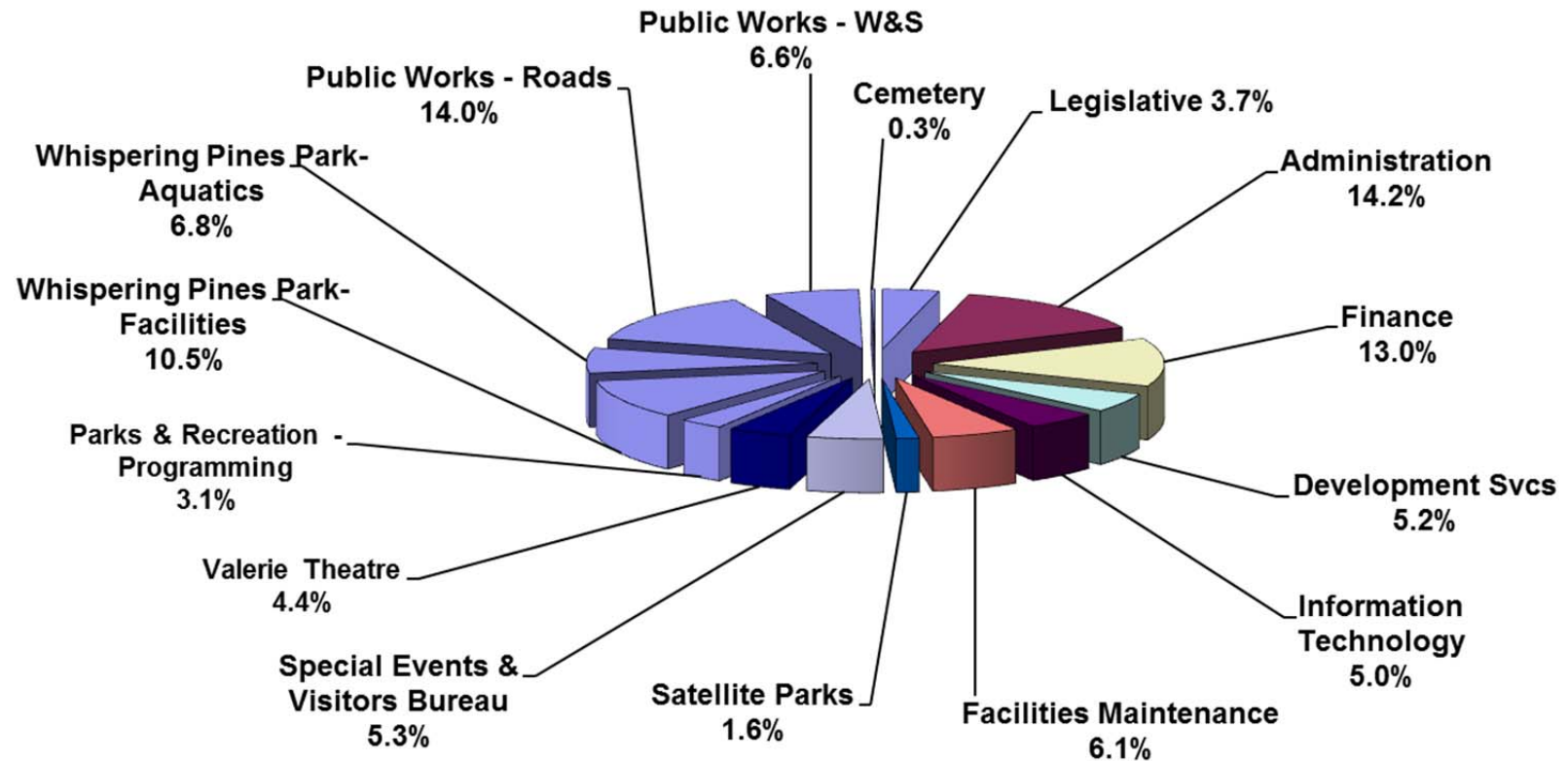


\$21,189,441

GENERAL FUND REVENUES-COMPARISON (excluding reserves)



CITY OF INVERNESS
PERSONNEL COST ALLOCATION-ALL FUNDS
Fiscal Year 2015



\$2,373,593